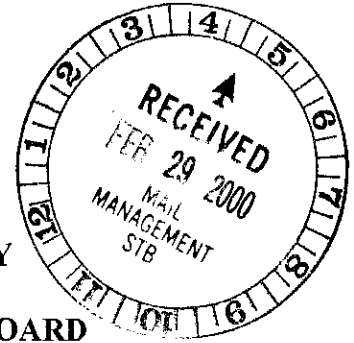


**OUTLINE OF REMARKS BY
ROGER D. BELL, PRESIDENT AND CEO
COLUMBUS AND GREENVILLE RAILWAY**



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**BEFORE THE SURFACE TRANSPORTATION BOARD
IN
STB EX PARTE NO. 582
PUBLIC VIEWS ON MAJOR RAIL CONSOLIDATIONS
MARCH 8, 2000**

My name is Roger D. Bell, and I am the President and CEO of CAGY Industries, Inc., which owns three shortline railroad operations; the Chattooga and Chickamauga Railway, the Luxapalila Valley Railroad, and the Columbus and Greenville Railway or (C & G). I have been with the C & G since its beginning in 1975 and its President since 1987.

Together our railroads haul approximately 18,000 carloads annually, have sixty employees, and gross revenues of less than eight million dollars. Our largest operation, the Columbus and Greenville Railway (C & G) extends in an east/west direction across the North Central portion of Mississippi and has interchange at Columbus, MS with the Norfolk Southern, Kansas City Southern, and the Burlington Northern Santa Fe, CSXT at Brookwood, AL (via haulage), the CN/IC at Greenwood and Winona, MS, as well as three small shortline railroads.

The C & G was created in the mid 1970's when many large Class I railroads were abandoning their light density lines, particularly in Mississippi. Our first years were extremely difficult, and quite frankly the C & G's survival was due in large part to the assistance the railroad received from federal and state governments in the form of 4-R loans, the LRSA and LRFA programs, and the creation by the State of Mississippi of a railroad revitalization loan fund for small railroads, which we have continued to utilize. Today, the Class I rail network in Mississippi has made a significant recovery and shortlines like the C & G and its customers are benefiting from this comeback. Two

railroads in particular, the Norfolk Southern (NS) and the CN/IC, our two largest interchange partners, have been particularly important to our success.

I was a strong advocate for the NS purchase of Conrail because I believed it created an opportunity for a much stronger system that would give our railroads much greater reach and our shippers faster, more efficient, single line service to more markets. The NS has experienced significant start-up problems and to some extent, those problems have spilled over to my railroads and our customers through service delays and inconsistent deliveries. But, I firmly believe these problems are temporary and I am confident that in the near future our railroads and the shippers that utilize our services will be able to reap the benefits predicted by that merger.

Likewise I am in favor of allowing the CN/BNSF merger to go forward for the same reasons. This combination will give numerous shippers and communities on the C & G and throughout a significant portion of Mississippi more efficient access to some of the longest, single line service in North America. While I will not try to predict whether this combination will suffer the same kind of service problems that some of the other Class I mergers have experienced, the C & G has been through both the Burlington Northern/Santa Fe merger and the Canadian National/Illinois Central merger and both of those mergers were undertaken with no service problems to this railroad or its customers.

You are seeking opinions on the timing of this merger. My opinion is that the merger process of the CN/BNSF should not be delayed based on whether or not other combinations have had problems or the difficulty they have had, or are having, in working out their problems. I offer this opinion for a number of reasons.

First, I do not believe it is fair for the federal government to allow complex parallel mergers to go forward and then to delay a straightforward, end-to-end merger because the others have had trouble performing up to expectations. I understand that this Board has

some sixteen months to analyze the pros and cons of this merger and has the power to turn it down at the end of that time. I have confidence in this Board and the process and I believe the process to be sufficient to protect the public interest.

Second, if as I believe, this combination is good for shippers and railroads like the C & G, then it would not be in their public interest to delay its consideration. I believe I have already identified many operating and marketing advantages of this combination for my shippers and I don't believe they should be denied the opportunity to take advantage of these benefits simply because others have had or are having difficulties.

Third, delaying this transaction would do little if anything to address the concerns that I expect will be discussed by the many shippers who are appearing before you at this hearing. I believe their service problems are related to the actions of their carriers and each of those carriers must solve their specific problems. I am confident, without question that Norfolk Southern and CSXT will recover just as the Union Pacific has recovered. Adding additional time to the CN/BNSF process will not affect such recovery one way or the other. Let the process work.

I appreciate the opportunity to give you my views and will be happy to answer any questions.

Respectfully submitted by,

Roger D. Bell, President
Chief Executive Officer
Columbus and Greenville Railway